

**Statement of Robert Ferguson**  
**House Committee on Agriculture**  
**Field Hearing on '2007 Farm Bill'**

**March 3, 2006**

**Stockton, California**

Introduction

Thank you, Mr. Chairman, and other distinguished members of the House Agriculture Committee, for coming to California. On behalf of the California Asparagus Commission (CAC) (also mention hay organization?), I want to welcome you to California's San Joaquin County. I greatly appreciate the opportunity to testify on agricultural issues that will be addressed by Congress in the 2007 Farm Bill, and will focus specifically on the asparagus and hay industries.

California asparagus growers face an extremely difficult situation at this time and the future of our industry is highly uncertain. The statewide acreage of asparagus has declined from a high of over 37,000 in 2000 to an estimated 22,500 acres in 2006. It is extremely difficult for our growers to remain competitive in today's increasingly globalized market. We face rising input costs, including those for labor, workers compensation insurance, energy and crop protection tools, while we simultaneously see market prices for fresh asparagus remain stagnant or even decline. Today, we must compete directly against foreign growers who have substantially lower input costs, receive duty-free or preferential access to our market, and many of whom receive government subsidies or are not as heavily regulated as are U.S. growers.

Competing against subsidized and less-regulated foreign growers without being able to control input costs or raise prices is threatening the economic viability of California asparagus growers. It is also important to keep in mind that asparagus is a perennial crop, and thus growers are committed to producing the crop for about a dozen years. This makes it very difficult to make quick changes in production, which makes the current challenges facing us even more difficult to manage.

It is imperative that federal agriculture policy be modified in the 2007 Farm Bill to address the challenges that asparagus growers now face. I know that Congress took a small step towards addressing specialty crop issues when it approved the Specialty Crop Competitiveness Act (H.R. 3242) in 2004, and I want to thank you, Mr. Chairman, and other committee members for your support of this legislation. However, much more remains to be done to address the issues of importance to California asparagus growers, and the 2007 Farm Bill legislation must address our concerns. Moreover, while there has been some talk of postponing Congress's consideration of the Farm Bill beyond 2007 due to the WTO trade talks, I want to make it clear that any delay would be unacceptable to

the asparagus industry. Congress must approve a Farm Bill that addresses the needs of our growers in 2007.

### International Market Access

One of the major problems now confronting California asparagus growers is a lack of access to foreign markets due to trade barriers, while we face rapidly increasing imports in the U.S. domestic market. Imports of fresh asparagus into the U.S. have increased nearly 300% in terms of volume, and by nearly 400% in terms of dollar value, from 1994 through 2004. Meanwhile, U.S. exports of fresh asparagus have declined by roughly 50% in volume and value during the same period. This imbalance between imports and exports must be addressed by Congress in the 2007 Farm Bill.

Over the past decade, U.S. fresh asparagus exports have declined dramatically because we have had major problems exporting to the largest foreign markets, including the European Union, Japan, and Taiwan. These and other countries have employed phytosanitary trade barriers that are of highly questionable scientific validity to block U.S. fresh asparagus exports. For example, Japan requires fumigation procedures for many U.S. fruit and vegetable products, and asparagus received the highest losses from these fumigation techniques compared with other crops.

It is imperative that the 2007 Farm Bill address the problem of phytosanitary trade barriers for California asparagus growers. We believe that an expansion of the Technical Assistance for Specialty Crops (TASC) program, which was first established by the 2002 Farm Bill, would be very beneficial in this regard. The TASC program currently is funded at \$2 million per year in mandatory spending. However, estimated demand for the program is about \$7 million per year and growing. As you know, the Specialty Crop Competitiveness Act (H.R. 3242), as enacted by Congress in 2004, authorized an additional \$2 million in funding for the TASC program. However, Congress has not provided any additional funding to date through the annual appropriations process, despite the authorization included in the Specialty Crop Competitiveness Act. We appreciate the past support of this committee for this program, and we need your support for increased funding for TASC in the 2007 Farm Bill.

The Market Access Program (MAP) is another key initiative contained in the Farm Bill that is working for our growers. Our industry has been successful in utilizing MAP funding to help promote exports in foreign markets in which we do have some access. We greatly appreciate the support of members of this committee for an effective MAP, and we urge you to provide greater funding for MAP in the 2007 Farm Bill. We believe more funding for MAP is a prudent investment that will translate into greater levels of exports of asparagus that will help us maintain a competitive position in global markets. We recommend that the current level of \$200 million per year for MAP be increased to \$325 million.

### Agricultural Labor

Another major issue for California fresh asparagus growers is the high cost of labor, which is a major input - approximately 75% or more of our input costs. Asparagus growers would greatly benefit from the introduction of mechanized technology that would substantially reduce our cost of labor. This would greatly improve our competitive position within the global marketplace. One area in which federal agriculture policy should be improved to help sustain California asparagus growers is to expand and accelerate research into mechanized technologies that could help us reduce labor costs. We would greatly appreciate the opportunity to work with members of this committee in this area in the 2007 Farm Bill.

### Crop Protection

Another major concern of the California asparagus industry is the loss of effective crop protection tools due to the enactment of the Food Quality Protection Act. This federal law, while providing benefits to the America public as a whole, has resulted in increased production costs for our growers. In order to help mitigate the adverse impact of FQPA on asparagus growers, USDA should focus more research on identifying and developing alternative crop protection tools that are both economical and environmentally sustainable. Increased or more targeted federal research in this area is critical to the long-term competitive success of our industry. Again, our industry urges this committee to address this concern in the 2007 Farm Bill.

### Specialty Crop Block Grants

Congress should enact a strong Specialty Crop Block Grant program as part of the 2007 Farm Bill. In 2001, Congress enacted legislation that provided approximately \$160 million for Specialty Crop Block Grants. These grants must be used to support agricultural research, commodity promotion, nutrition education, export promotion and other programs that enhance the competitiveness of specialty crop producers. Each state receives a minimum level of funding, and the grant allocations are made according to the proportion of the value of specialty crop production in the state. The funds may not be used to provide direct payments to producers.

The Specialty Crop Block Grants have proven to be successful in addressing issues of concern to specialty crop growers because they allow resources to be directed to areas of need with the assistance of the state departments of agriculture working closely with growers. Specialty Crop Block Grants are a flexible method of providing resources for initiatives to assist our growers in addressing many of the issues outlined above.

As you know, the Specialty Crop Competitiveness Act of 2004 authorized a Specialty Crop Block Grant program at \$44.5 million per year. For Fiscal Year 2006, Congress appropriated \$7 million for this program. It is imperative that dramatically increased funding be provided for the Specialty Crop Block Grants. The National Association of State Departments of Agriculture estimates that the unmet demand from the states for

block grants in 2001 was over \$1.3 billion. Our growers urge this committee to provide more funding for the Specialty Crop Block Grants in the 2007 Farm Bill, and we would appreciate your working with us to establish the proper level of funding.

(Insert info on hay industry priorities)

### Conclusion

To conclude, we urge you to take a proactive approach to enacting policies and allocating federal resources that will assist asparagus and other specialty crop growers across the nation to maintain competitiveness in global markets. Our growers look forward to working with you in crafting a Farm Bill that achieves this objective.

Thank, Mr. Chairman, for this opportunity to testify before you today.